



**DEFENSE LOGISTICS AGENCY**  
**THE DEFENSE CONTRACT MANAGEMENT COMMAND**  
8725 JOHN J. KINGMAN ROAD, SUITE 2533  
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO

AQO

NOV 17 1997

MEMORANDUM FOR COMMANDER, DEFENSE CONTRACT MANAGEMENT  
DISTRICT EAST  
COMMANDER, DCMC LOCKHEED MARTIN DELAWARE  
VALLEY

SUBJECT: Single Process Initiative (SPI) Proposal to Change Small, Small Disadvantaged  
and Women Owned Small Business Reporting and Audit Requirements

This memorandum is in response to your SPI proposal to change small, small disadvantaged and women owned small business reporting and audit requirements (Attachment 1). The proposal addressed three separate actions. Based on a full review of the proposal, it has been partially accepted. The contractor should be notified of the partial acceptance of the SPI proposal and block change modifications issued to implement approved changes.

The first change requested was to change the frequency for the SF 295 report to semi-annual and the SF 294 report to annual. The latest revision of the SF 294 and SF 295 (October 1996) require semi-annual submission. Since the SF 295 is a summary report based on the information in the SF 294 which is for individual contracts, it would not be advisable to have different frequencies for these reports. The second change requested was for use of Electronic Data Interchange (EDI) to transmit reports. Electronic submission of SF 294 and SF295 reports is hereby approved.

The third change requested was to change the frequency of Small Business Administration (SBA) and Defense Logistics Agency (DLA) audits to three years and combine audits with similar reviews such as Contractor Purchasing System Reviews when possible. Based on discussions with the DLA Office for Small & Disadvantaged Business Utilization, the request to extend review frequency to three years was rejected. However, every effort will be made to combine audits/reviews to reduce impact on Contractors and the Government.

Thank you for your efforts in submitting this proposal. Questions may be referred to Mr. Ron O'Daniell, SPI Team, at (703) 767-3365, or [ron\\_odaniell@hq.dla.mil](mailto:ron_odaniell@hq.dla.mil).

  
JILL E. PETTIBONE  
Executive Director  
Contract Management Policy

Attachment

**SPI Process - Small, Small Disadvantaged and  
Women Owned Small Business Audits**

**Lockheed Martin Delaware Valley**, Moorestown, NJ, submitted May 30, 1996

Military Requirements: FAR 52.219-9

Proposed Process: Change reporting frequency of SF 295 to semi-annual and SF 294 to annual; approve use of electronic data interchange to transmit reports; and change frequency of audits to three years and combine with Contractor Purchasing System Reviews.